

DIY: Winning with a Goodness Culture

A Do-it-Yourself guide for leaders who want to build a “goodness culture” to consistently win in the market.

By Paul Batz, Founder and CEO, Good Leadership

Most organizations rely on the existing talent and experience of their executive leaders to create greater organizational effectiveness (OE) through growth and transformation. But how can these leaders spur sustainable OE improvements amid multiple competing priority demands?

The OE action recommendations in this Bright Paper represent years of experience helping leaders of high-performing organizations achieve greater organizational effectiveness and better business results. Additional quantitative and qualitative data was gathered from polling and direct input from leaders participating in the 2023 Spring Good Leadership Breakfast series. Launched in 2010, with 100+ episodes to date, the Good Leadership Breakfast series is the catalyst for good leaders committed to improving the way their organizations operate, because they know goodness pays.



WHY FOCUS ON CULTURE AND GOODNESS TODAY?

Post pandemic, professional and technically trained workforces accelerated a culture shift in how mid-sized companies operate. With work from home and virtual communication, the most effective organizations today are embracing this transition:



WHO WE ARE:

Good Leadership is an organizational effectiveness firm that aligns teams to thrive and win together. Clients leverage our coaching processes and development programs to strengthen their links to execution and build leadership capacity around the central concept:

Goodness pays.



ORGANIZATIONAL EFFECTIVENESS: A DIY ENDEAVOR?

The do-it-yourself (DIY) home renovation industry has grown to \$624 billion, according to NerdWallet's 2022 home improvement report. That means a lot of homeowners are tackling projects by themselves to save money on improving their dwellings. And, presumably, to improve their quality of life.

Evidently, most organizational leaders seem to have caught the DIY bug when it comes to OE improvement efforts as well. As reported by the Association for Corporate Growth in 2021, more than 90% of the organizational effectiveness initiatives begin as a DIY project. That's because the executive team is counting on the skills and experience of existing executives to make OE changes and improvements. Intuitively, that sounds good, right? That is, until you remember the time-tested statistic from Harvard Business Review that 70% of all change initiatives fail, due to a myriad of reasons such as a lack of resources, including inconsistent senior leadership support, ineffective processes, resistance to change, and several more. Most OE initiatives, by definition, are initiated to improve performance.

How can you ensure a greater chance of success for your organization's OE improvements? Read on to see several critical organizational effectiveness enhancement recommendations from multiple senior executives who've been there, done that.



“What’s your fascination with winning?”

The e-mailer inquired: “I’m curious about something. What’s your fascination with winning?” The inquiry came from a C-suite leader following the April 2023 Good Leadership Breakfast – featuring Christine Geissler, the CHRO at the global company Reckitt, home to some of the world’s most trusted hygiene, health, and nutrition brands. In her talk, Geissler had spoken about her company’s winning culture, and specifically its mission to provide essential nutrition for babies all around the world.

After a thoughtful pause, I replied to the e-mailer: “Attitudes are contagious. When people are feeling like winners, they are more resilient, creative, and better collaborators. We all know there are lots of ways organizations can win. At Good Leadership we have a simple and strong point of view that goodness pays. Goodness is when people thrive together in a culture of encouragement, accountability, and positive teamwork. Teams have positive momentum when the team feels like they are winning.”

The emailer replied, “Yeah, but you don’t understand our culture. Our job is to serve, not to divide people into winners and losers.”

To which I replied, “When we ask people on teams: ‘What’s the opposite of winning?’ the answer is predictably ‘losing.’ No one likes to feel like they are losing – even in situations where no one really wins or loses. Feeling like a winner adds a positive bounce to everyone’s steps. Feeling like a loser has the opposite effect. But there’s more reason to answer the “what’s your fascination with winning?” question.

Every organization has a credible threat they need to guard against – businesses live in a win/lose environment every day. Threats can come from anywhere, either a competitor that’s disrupting the market (Netflix), a significant change in society (work from home), or a large drop in demand (office space) that could make any business less relevant.

Even non-profits and churches need teams who feel like they can win against the threats – however they define them – that face their organization day after day. It’s that feeling of employee confidence, of being able to effectively confront and address such threats, that typically spells the difference between an organization winning, or unfortunately losing. Sometimes, there are so many threats that teams shut down under the complexity.

Consider the demise of Sears, Roebuck and Co. For decades over its 130-year history, Sears was America’s leading mass merchandise retailer – an icon in its space. At the end, however, increased competition from online and big-box retailers, reduced shopping mall traffic, unsustainable debt obligations and internal strife spelled the end for Sears. Despite its longevity and history in the market, there were too many threats for Sears to remain sustainable.

When we advise organizations about winning with a goodness culture, we emphasize how teams at the top need to agree on the organization’s most credible threat. When teams can rally around one tangible threat – and push back successfully against that threat – they feel like they’re winning together. And that’s the core of a goodness culture.

For example, at the height of the Covid pandemic, with many restaurants unable to operate, the hospitality industry was reeling. How could restaurants, once they were allowed to open again, safely and effectively serve their customers and remain viable businesses? The solution to this business threat rocketed across the entire restaurant industry: dramatically expand the takeout and drive-through portions of their business (a trend that continues to this day) and literally push out the barriers of restaurant facilities, to enable more on-site customers to dine outdoors.

DIY TIP

Create a conversation with the teams at the top:
What is our most credible threat?

The benefit to discussing and prioritizing threats stimulates cohesiveness and “outside-in” thinking.

How is Culture Formed?

The title of this DIY Bright Paper is: *Winning with a Goodness Culture*.

So now it's time to unpack how culture is formed.

Peter Drucker is my favorite business consultant. In the 1970s, he highlighted the need for leaders to identify a specific company culture as a strategy to create organizational effectiveness. His observation – without care and attention to culture, it may have a negative impact on achieving your strategy. “Culture eats strategy for breakfast.” So, if you know your organization needs a specific culture for your teams and employees to thrive together, check out this model for a “Goodness Culture”:

Culture* is the summation of what gets:



***Culture-building is local - geography, managers, teams**

This powerfully simple model for building a Goodness Culture details how culture evolves, with or without a specific cultural expectation. Culture is the summation of what gets “rewarded” and what gets “stopped” in organizations. Culture is foundational – it’s the soil where leaders plant the seeds of progress. When leaders are inconsistent in what they reward and stop, the culture cannot consistently support winning.

Drucker encouraged leaders to articulate a specific cultural mantra, and identify the cultural behaviors required to support the strategy. The best leaders spend time intentionally listening to, and observing, what gets:

Rewarded, encouraged, and promoted

And what gets

Stopped, discouraged, and punished

The summation of what’s seen and heard is the cultural context for why some ideas catch on quickly, while others are rejected. Good leaders pay attention to culture, because when the culture is good, winning is easier. And when the culture is toxic, winning is much more difficult.

DIY TIP

Engage managers for a discussion around what gets subtly or overtly rewarded and stopped in your organization. Some leaders find it easier to inquire with these more subtle questions:

1. What’s the best way to get ahead quickly in this organization?
2. What career-limiting mistakes do people make in our culture?

What is a Goodness Culture?

Before we get into creating a “goodness culture,” we first need to define what we mean by “goodness” in a work setting. At Good Leadership, we define “goodness” as creating an environment where people thrive together in a culture of accountability, encouragement, and positive teamwork. All these goodness elements feed directly into having a goodness culture – one in which team members seek accountability to win together. Everyone sees where they fit and why they matter, and they believe managers are rewarding the right behaviors.

How does having a goodness culture affect organizational effectiveness? At our Spring 2023 Good Leadership Breakfast series, we asked each of our three featured speakers:

What comes to mind for you when you hear the words: winning with a goodness culture?

DIY TIP

Create a conversation with your team and have them answer the same question Paul Batz posed to the Good Leadership Breakfast speakers:

When you hear the words: *Winning with a Goodness Culture, what comes to mind for you?*

Then probe for what gets in the way of that happening in your team.



Amanda Brinkman, who worked two decades in agency and corporate advertising and branding, is best-known as the creator and host of the Emmy-nominated Small Business Revolution series.

“I truly believe that all companies are capable of doing well by doing good. In the business world, we think about it in too binary of a nature. Either you’re a company that makes money or you’re a nonprofit that does good in the world. The real magic happens when you think about those two things in concert together. That idea comes to life when leaders articulate their brand purpose and teach employees how to turn that brand purpose into actual, tangible behaviors with one another and customers. When the business thrives by making the lives of customers better, that’s winning with goodness.”



Christine Geissler, a 30+ year human resources executive, has worked across a spectrum of industries, including food and beverage, consumer products and manufacturing.

“I hear the plurality of the concepts: collaboration and teamwork. Good leadership is not a singular concept – nothing significant ever happens alone. When I hear ‘winning with a goodness culture’ it says sustainability to me. I really believe that goodness and good leadership is about sustainable long-term success in businesses. Anybody can have a quick fix and a quick win – the question is: How do you sustain it? To me, that’s what leading with goodness is about.”



Glen Gunderson is president of the YMCA of the North, a leading nonprofit dedicated to strengthening communities through youth development, healthy living and social responsibility.

“Winning with a goodness culture is about the ability to create a place where people come together and serve those who need us most. That’s important because today our society politicizes almost everything. We’re subjected to such extremes that divide us. Goodness is about thriving together. I’m really blessed, and super fortunate to be able to work in a context like the YMCA, where day in and day out we are geared, wired, and fully committed to trying to move people forward on a positive goodness pathway.”

WHAT DOES THE RESEARCH SAY?

Guests at our Good Leadership Breakfasts help shape these meetings by answering audience response research questions. When asked about the importance of company culture for winning in the marketplace, more than 200 people contributed these insights:

 **89% believe it's "very important" for employees to seek accountability to win with a goodness culture**

 **87% believe their company culture helps them win in the marketplace**

 **Only 56% feel their colleagues seek accountability within their teams**

Who has the biggest impact on maintaining a culture where people seek accountability?

	Direct managers	47%
	Senior leaders	21%
	Fellow team members	21%
	Individual employees	10%
	Customers	1%

WHERE DID THE IDEA OF "GOODNESS PAYS" COME FROM?

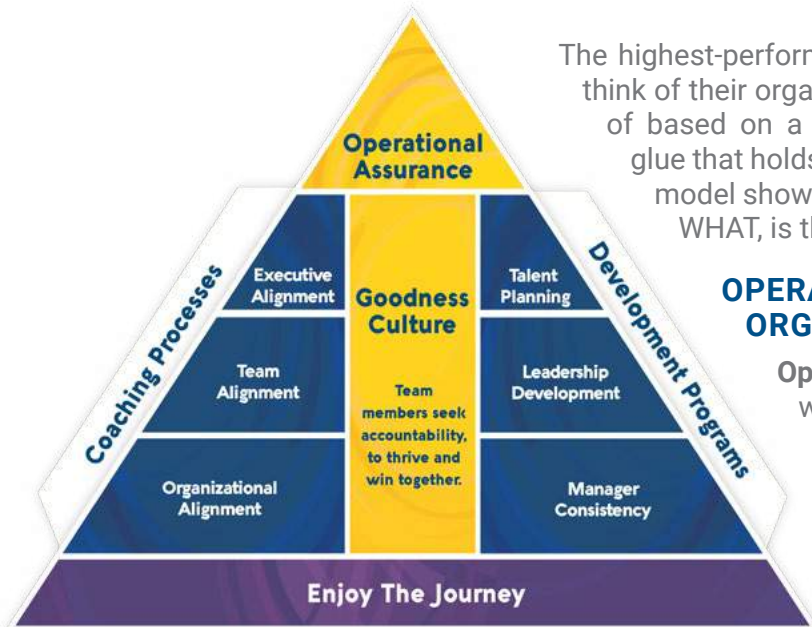
In 2015, Paul Batz, CEO of Good Leadership, and Paul Hillen, a longtime corporate executive, set out to prove how goodness pays in business. They found that while four out of five leaders believe goodness pays in business, only two of five of these leaders are happy with the consistency of their financial results. Clearly, there's a gap between those who believe "goodness pays" and those who actually know how to make it pay financially. Batz and Hillen subsequently wrote *How Goodness Pays* to help good leaders eliminate their self-defeating habits that keep them from enjoying the benefits of "goodness pays." This book provides a commonsense approach, centered on goodness, to create better business results.



The highest-performing organizations today are those whose leaders think of their organizations as comprised of teams of teams, instead of based on a hierarchical, command-and-control structure. The glue that holds those teams together is a goodness culture. In the model shown here, operational assurance, which represents the WHAT, is the peak of OE.

OPERATIONAL ASSURANCE IS THE PEAK OF ORGANIZATIONAL EFFECTIVENESS.

Operational Assurance is a culture of accountability, where the teams across the organization deliver the promises in the operating plan, so senior executives stay focused on making competitive moves to shape the market and attract the best talent.



Cornerstones of Goodness

Culture is how values are expressed in repeated behaviors. The Goodness Pays research identified four fundamental values that are required for a goodness culture. Labeled as the Cornerstones of Goodness, they are:

Excellence, Generosity, Fairness and Positivity

Specifically, employees and customers identify “goodness” within organizations when they see and feel these specific behaviors, the Cornerstones of Goodness, in action from leaders.

- **Rewarding** excellence
- **Living** generously
- **Promoting** fairness
- **Spreading** positivity

As teams increasingly work remotely, organizational culture building has become more localized and bottom-up (from employees themselves) versus the traditional model of top-down culture building. It stands to reason: remote workforces are increasingly influenced by how teammates, customers, and direct managers handle the day-to-day activities of running a business – as they see it through the narrow lens of Zoom and Microsoft Teams. Positivity grows when function teams, and client teams, do their jobs well, and treat one another in consistently positive ways.

As noted below, when asked about these four behaviors, guests at a recent Good Leadership breakfast identified spreading positivity as the greatest opportunity for improving culture.

Which Cornerstone of Goodness, when improved, will deliver the biggest impact on the culture of your organization?

- **Spreading positivity** 50%
- **Rewarding excellence** 19%
- **Living generously** 16%
- **Promoting fairness** 15%

THE SCIENCE OF HOW POSITIVITY IMPROVES BUSINESS RESULTS

Organizations that lead with positivity experience superior shareholder returns, profitability, and productivity. But why?

The greatest predictor of a leader’s success is not charisma, influence, or power, but instead, that leader’s ability to create positive relationships... the positive energy we receive from those who “lift up our souls” (and we exchange in return) mutually uplifts us, creates enthusiasm, and renews us when we are tired. It’s no wonder that leaders who use positivity in their relationships are identified as “energizers.”

- Research shows that positive leaders produce higher levels of engagement, lower turnover, and enhanced feelings of well-being among employees.
- People feel compelled to work toward a shared vision where they perceive everyone benefits.
- Teams that are buzzing with positive energy are more innovative and cohesive, allowing them to achieve better results, faster.

Positive energizers demonstrate and cultivate compassion, trust, integrity, honesty, gratitude, and recognition. Energizers can turn around a negative situation by creating a simple shift of mindset in their colleagues. Positive energy frees the brain to be creative and find pathways to a better future.

Insight from Christine Geissler:

The Reckitt nutrition culture today is really driven on values and our purpose to mothers and their babies. Reckitt purchased the Mead Johnson nutrition business a few years ago. Looking back, Reckitt’s original culture was rooted in driving performance – performance management. The new culture today includes a blend of the Mead Johnson culture that was more customer-focused – more missional. That’s the beauty of what we’re doing is bringing those cultures together because both are important. We operate in about 60 countries and have 40,000 employees so I have responsibilities all over the world. Bringing together those different cultures into a common purpose is very rewarding. Creating that shared sense of goodness makes working all of those strange hours fun!

BEWARE THE CULTURAL NARCISSISTS

Confident and charismatic leaders and colleagues can be great, as long as they're able to keep their egos in check. But what about those, most typically seasoned veterans, who feel like they can work according to a separate set of work rules, to the point that it seems they're almost operating in a different work culture? We call these people "cultural narcissists." Unlike most employees, they often feel entitled and operate according to what they can get away with.

Even the most nimble and flexible organizations are likely to have subtle, manipulative resisters who get power by impeding progress on organizational initiatives. Here's a "cultural narcissist" checklist. Do you have anyone in your organization who fits this bill?

- People who believe they are untouchable: entrenched in the history of the organization and don't feel the future state applies to them
- People who think they are immune to new accountabilities: possessing a singular expertise (or believe they do) which makes them "special," therefore the new rules for others don't apply
- People who feel no need to speak up: takes a "wait-and-see" attitude, with a belief that "this too shall pass...I can wait this out"

Here's a list of behaviors that undermine a goodness culture:

- Passive agreement in important meetings, then covert resistance after the meeting – creating confusion within peers and their teams
- Smirking – often described by some people as deeply cynical, who "delights in watching their peers struggle"
- Using processes to get power – often the processes don't actually get anything done, but they involve a lot of people in their processes

MOST COMMON GOODNESS CULTURE INHIBITORS

Based on extensive client and expert input, here are the most common inhibitors for winning with a goodness culture.

No cultural statement, or cultural descriptor

"Work hard/play hard" doesn't work as a cultural mantra anymore. Good examples of cultural mantras include:

- Head and heart together
- Fast, fun and friendly
- Fiercely independent
- Intensely casual
- Be the difference

Cultural mantras force the "What does this really mean?" conversation with new and existing employees.

Too many corporate values to be memorized

- The average person can memorize 3-5 values
- The majority of companies today have more than 7 values
- Employees can't see, or don't understand, how the values are supposed to help them do their jobs better

Manager inconsistency

- Roughly half of all managers were promoted into the position without manager training
- Less than 10% of managers today have been trained on a methodology for how to build a strong team
- Managers are the most important source of consistency and accountability

Success Habits: What Can You Try with Your Teams Today?

These three success habits, gleaned from good leaders who produce great results with their teams, will accelerate your team's performance:

1. Once a month, ask your team: "In what ways should this team feel like we are winning?"

- Many cultures unintentionally reward problem-hunting, instead of creating positive momentum
- The pace of business today often makes individuals feel behind in their work, or stuck in place
- Asking the "winning" question puts the team into a positive mindset, and reenergizes commitment and accountability

2. Create a public scorecard to be shared with the people who report to and support the goals of your team

- Identify three top priorities and create a plan for the year that predicts the progress that will be made on all three priorities by month
- Track each of the priorities with the public scorecard
- Create a conversation monthly with the people who report to and support the goals of the team
- Make necessary mid-course corrections to ensure the team wins

3. Negotiate Team Shared Commitments

- Shared commitments are the specific behavioral promises team members make to one another to ensure the team has the best possible opportunity to win
- Track the behaviors in terms of what the team is willing to START (doing differently), STOP (doing because it makes progress harder) and CONTINUE (doing because it's working), to give your team the best opportunity to win
- Use your team's shared commitments as a source of development and feedback in performance evaluations

SUMMARY FROM SPRING 2023 GOOD LEADERSHIP BREAKFAST



Success habits from Amanda Brinkman: Articulate and champion a common "True North" (mantra):

- Work with the executive team to coin a phrase like "Doing well by doing good"
- Articulate how it helps customers and employees thrive together
- Connect the mantra to what drives and motivates each person



Success habits from Christine Geissler: Know the Whole Business:

- Leaders need to see how all the important things are connected, and work together in a system – that's much bigger than just knowing how your job or your department works
- Employees take a greater ownership and accountability when they see the whole business, and understand how it works for the customer
- Create a public scorecard so employees can see how and why the business is winning



Success habits from Glen Gunderson: Ask "Why not".... a lot:

- Too often senior executives explain to employees why they can't do things
- When you begin with a "Why not?" mindset, it encourages creativity and accountability on the front lines of your business
- Negotiating ways to get to "yes" creates a positive, "thrive together" culture in which employees and executives work together

Executive Summary: How to Win with a Goodness Culture



It's a researched fact – the DIY approach isn't solely for home improvement projects; it's prevalent in the workplace, too. While DIY attempts often don't turn out as expected, with guidance and some tips, your chance of success will increase.

If you're taking the DIY approach to your organization's effectiveness, it's crucial to establish an environment where people thrive together in a culture of accountability, encouragement, and positive teamwork – also known as a goodness culture. Look at what is being rewarded (encouraged and promoted) along with what is getting stopped (discouraged and punished) and, if necessary, realign to make sure cultural behaviors support the strategy. Ensure leaders are consistent in how rewards and punishment are applied to consistently boost a winning mindset.

Research shows that spreading positivity delivers the best impact on the culture of your organization. Higher engagement, lower turnover, enhanced well-being, superior shareholder returns and productivity are byproducts of a positive culture. Seek to develop and empower positive energizers who create enthusiasm and momentum throughout the organization while having the ability to shift negative mindsets in colleagues. Positivity is contagious.

Culture is not a one-and-done initiative. As organizations evolve, and team members come and go, it's crucial to be proactive in addressing potential goodness culture inhibitors:

- Watch out for the cultural narcissist who will bring negative energy and toxicity
- Create, live, and repeat a cultural mantra that is embraced by long-term and new employees
- Identify and communicate no more than 5 corporate values and assure employees understand how the values help them do their jobs better
- Pay attention to the managers – many are promoted without training and are unsure how to build a strong team

At Good Leadership, we know culture and business results are correlated. When you win with a Goodness Culture, organizational effectiveness improves, employees thrive, and you achieve better business results faster and easier.

DIY Guide: Get these three things right

1. Teams at the top must be aligned
2. Team leaders must be trained on the same teaming methodology and language
3. Must have industry A-players in mission critical roles

How to Get Help

New ideas or a jump start from Good Leadership coaches:
Schedule a 15-minute “What’s possible?” conversation with a Good Leadership team member to explore new ways of thinking about how to win with a goodness culture.



Team Book Study Bundles

Leaders who grow together, win together. Good Leadership book bundles provide an opportunity for self-directed learning with teams. Bundles include books, study guides and executive summaries.



Register today

The Good Leadership Breakfast is the dynamic force of good leaders who are improving the way organizations operate because they know goodness pays. This is where good leaders thrive and win together. Single and season tickets are available.



Listen to the Good Leadership Podcast

Explore what good leadership looks like today, as Paul Batz and Kevin Sensenig share their perspectives from more than 40 years of experience. You will learn how to lead teams effectively and what it means to coach teams.

Good Leadership’s CEO Research Project

The way stakeholders assess good leadership is changing. The standard is higher – it’s about winning in the marketplace AND winning the trust and loyalty of people who expect to thrive together personally and professionally through their work. Paul Batz, Founder and CEO of Good Leadership is leading an evergreen, ongoing research project to discover the keys to effective CEO leadership. By interviewing CEOs who have done the job for more than 5 years and/or have been a CEO within the past year, the data collected through this ongoing research will advance three objectives:

1. Improve Good Leadership coaching processes and programs for clients
2. Inform aspiring CEOs of what’s really required to do the top job well
3. Close the expectation gap between new CEOs and Boards/Stakeholder groups, by answering the question: How long does it really take to become an effective CEO?



**Are you a CEO and interested in participating?
Or do you have a CEO you’d like to recommend?
Reach out to info@goodleadership.com for more information.**

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